

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

STARRED QUESTION NO:70
ANSWERED ON:21.02.2003
TAXES DUTY ON PRODUCTION AND EXPORT OF SUGAR
RATTAN LAL KATARIA

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) the taxes/duty imposed by the Union Government on production and export of sugar;
- (b) whether the Government will provide some incentives to the sugar mills so that the farmers could get remunerative prices of sugarcane; and
- (c) if so, the details thereof?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD YADAV)

(a) to (c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF STARRED QUESTION NO.70 DUE FOR ANSWER ON 21-02-2003 IN THE LOK SABHA.

The following duties on production of sugar are levied by the Central Government:

(In Rs. per quintal)			
Duty/tax	Free sale sugar	Levy sugar	
Basic Excise Duty	34	17	
Additional Excise Duty	37	21	
Sugar Cess	14	14	
Total	85	52	

2. The following incentives have recently been introduced in the interest of the sugarcane growers and the sugar industry:

(i) Buffer Stock of 20 lakh tonnes of sugar:

A buffer Stock of 20 lakh tonnes of sugar has recently been created involving an outgo of Rs. 412 crores from the Sugar Development Fund; Rs. 374 crore would be released by Banks on account of the Buffer Stock. Thus, an amount of Rs.786 crores would become available for the payment of cane price dues to the farmers.

(ii) Reimbursement of Internal Transport and Ocean Freight Charges:

It has been decided to reimburse the internal transport and freight charges to sugar factories. Reimbursement of internal transport charges, incurred on export shipments of sugar has already been allowed. Similarly, neutralization of ocean freight disadvantage at the rate of Rs. 350 per tonne on account of export shipments of sugar would now be reimbursable.